100 per cent of production for export of *Coffee*

3129. SHRI ASHOK MITRA: Will the Minister of COMMERCE be pleased to state:

(a) whether Government's attention has been drawn to reports that the toffee industry wants a quota equivalent to 100 percent of production for exporting the beverage;

(b) what is Government's reaction to the demand; and

(c) whether a study has been undertaken on the likely impact on domestic availability and prices in case the entire output of coffee is exported?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI P. CHIDAMBARAM): (a) Yes, Sir,

(b) and (c) Government had liberalised Coffee Marketing System in Jan.-94 allowing growers a Free Sale Quota upto 50% of their produce. Concurrently, Coffee Board has been examining the possibility of further liberalisation and its possible impact on the domestic market. A decision in this regard is expected to be taken shortly.

Misuse of vabal facility

3130. SHRI ASHOK MITRA: Will the Minister of COMMERCE be pleased to state:

(a) whether it is a fact that the facility of VASAL has been widely misused;

(b) the number of prosecutions launched against parties which have misused the facility during the past two financial years: and

(c) whether Government are conidering the abolition of the scheme?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI P. CHIDAMBARAM): (a) No, Sir. Investigations made so Jar have not revealed any large scale misuse of the VABAL facility.

(b) while provision for prosecution does not exist under the Foreign Trade (Development and Regulation) Act, 1992, the details of other penal actions initiated for the misuse of VABAL Scheme are as follows:—

	1993-94	1994-95
1. Show cause notices issued for		
(i) Imposition of fiscal penalty	4	4
(ii) Suspension/cancellation I.E. Code	Nil	1
(iii) Suspension/cancellation of licences	1	Nil
2. Cases where licences suspended/cancelled	Nil	5
3. Cases handed over to other enforcement agencies	Nil	44

(c) No, Sir.

Rate of growth of India's exports to East Asia and Oceania

3131. SHRI ASHOK MITRA: Will the Minister of COMMERCE fee pleased to state:

(a) whether the fastest area of growth for India's exports in the more recent years has been East Asia and Oceania;

(b) whether the rate of export growth has been exceptionally slow in both the *United States* and Western Europe; and

(c) if answers to both (a) and (b) are in the affirmative whether Government propose any reorentation in export policy with greater attention to promoting exports to East Asian countries?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI P. CHIDAMBARAM): (a) Since 1991-92, growth of India's exports to East Asia and Oceania has been significant and at an average rate of 17.05%.

(b) No, Sir. As a mater of fact, India's exports to USA has been increasing since 1991-92 at an average rate of 17.50%, making USA the single largest trading partner of India. In regard to West Europe, the average growth, during *the* same years, has been at the rate of 8.3%.

(c) The question does not arise.

Exploring possibilities of business negotiations with Iraq

3132. SHRI KRISHNA KUMAR BIRLA: Will the Minister of COMMERCE be pleased to state:

(a) whether Iraq has urged India to start negotiations or setting up joint ventures and restoration of trade and commerce;

(b) if so, whether an Indian delegation visited Baghdad recently to explore the possibilities of business negotiations; and

(c) if so, the reaction of Government in this regard?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI P. CHIDAMBARAM): (a) Yes, Sir.

(b) No, Sir.

(c) Does not arise.

Visit of Libyan delegation

3133. SHRI KRISHNA KUMAR BIRLA: Will the Minister of COMMERCE be pleased to state:

(a) whether Libya has expressed its willingness to invest in infrastructure in India;

(b) if so, whether a Libyan delegation has recently visited India to explore possbilities of investments in India;

(c) if so, the details of the discussions held with Libyan delegation; and

(d) the details of the fields in which Libya proposes to invest?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI P. CHIDAMBARAM): (a) to (d) A 4.member delegation from Libya visited India in early February, 1995, with the objective of fact-finding for investment purposes in India in sector like petroleum and downstreem products, hotels, real estate, and pharmaceuticals. The Libyan delegation had wide-ranging discussions with officials in several Government Ministries, including on India's investment policies. They also had meetings with commerce and Industry representatives. The visit was for fact-finding, and no discussions were held on specific investment proposals.